

Arizona Department of Commerce Energy Office – Renewable Energy

The Energy Office was established in the 1970s in response to the Arab Oil Embargo and served the function as the state's gasoline rationing office. Through the late 70s and early 80s the solar energy functions at the state level were shared by the Energy Office and the Arizona Solar Energy Commission. Those functions were combined in the late-80s within the Arizona Department of Commerce.

The Energy Office's primary function is to work on the customer side of the meter, and for the most part the state's power plant development efforts are spearheaded by the Arizona Corporation Commission. The one exception has been in renewable energy. In its infancy the Energy Office was one of the industry's most vocal advocates and helped raise awareness among other government agencies.

A series of documentaries by the Arizona Department of Commerce Energy Office in the late-80s and early 90s helped create awareness for the potential of renewable energy in the State of Arizona. Beyond an education function, the Energy Office is represented on the Arizona Power Plant and Transmission Line Siting Commission. Until recently, this function rarely, if ever, dealt with a renewable energy project. The first such instance was in 2008.

In addition to our role on the Commission, for many years the Energy Office served as the gateway for renewable energy developers to introduce their proposed projects to state and federal officials. Most of these developers were backyard-inventor types lacking adequate capital, technological sophistication, and cost-effective models.

In the past three to four years the level of sophistication and capitalization of project developers has evolved significantly. Developers now have paid lobbyists who know the inter-workings of government.

The Energy Office continues to serve, as mandated by statute, on the Arizona Power Plant and Line Siting Commission and in that role has a significant role in representing the state's energy interests in proceedings.

The opportunities and obstacles for renewable energy development in Arizona are unlimited and ever evolving. Now is the time to establish Arizona as the premier location for renewable energy developers; clearly the desert southwest must be first when looking to develop a solar energy power plant. Arizona's solar resource and its proximity to a California marketplace make the State an ideal location for these developments - as evidenced by the Abengoa plant's site selection of Arizona. The most important aspect besides the resource and a favorable permitting environment is ability to get product to market (transmission) and the market itself (a buyer). The Arizona Corporation Commission has created a market in-state and the transmission should be addressed through a modernization of the Arizona Power Authority. The APA has the mandate in its charter to develop transmission on behalf of the state and it should be transformed from a 20th century state agency that manages the state's Hoover Dam power allocation to a 21st century agency that manages the state's renewable energy resource.